2 Surprisingly Undervalued Growth Stocks to Buy Right Now

Description

It's been a whirlwind year for Canadian investors, to say the least. Volatility has been off the charts through the first four months of the year, and I'm not expecting that to change anytime soon. There are still several large question marks surrounding the health of the economy that are making it that much more difficult to predict performance in the stock market.

It's times like these that remind me why I'm a long-term investor. It's hard enough to time the market in the easiest of times, let alone in today's volatile market conditions.

But just because I'm a long-term investor doesn't mean I'm completely ignoring what's going on in the economy today. Rising interest rates, a global pandemic, and supply chain issues are three examples of legitimate risks to an investment portfolio, even if you're a long-term investor.

How to take advantage of the volatility in the market

With volatility looking like it's here to stay, a top priority for me is making sure my watch list is up to date. An up-to-date watch list helps me stick to my investing strategy. Not only that, but it helps me avoid making rash decisions during volatile market periods.

At the top of my watch list right now are two high-quality growth stocks trading at serious discounts. **goeasy** (TSX:GSY) and **Shopify** (TSX:SHOP)(NYSE:SHOP) are both trading far below 52-week highs, but I'm not expecting that to last much longer.

Here's why both companies should be on any long-term investor's watch list today.

Growth stock #1: goeasy

goesy may be one of the more under-the-radar growth stocks on the TSX. The $2 billion company has quietly crushed the market's returns in recent years. The growth stock is up just about 250% over the past five years. In comparison, the **S&P/TSX Composite Index** has returned less than 40%.

Alongside many other Canadian growth stocks, goeasy has seen its stock price get slashed in recent months. Shares are down close to 50% from all-time highs set last September.

With Canadians across the country on the verge of returning to their pre-pandemic lifestyles, goeasy is a top buy for me today. There's a lot of pent-up consumer demand in the country right now, which could lead to a significant boost in revenue for goeasy in the upcoming months.

For anyone looking for a well-priced growth stock with multi-bagger growth potential, this is the company for you.

Growth stock #2: Shopify

Contrary to goeasy's under-the-radar status, Shopify is Canada's largest tech stock. Not long ago, it was also the largest company trading on the TSX. But with shares now trading 70% below 52-week highs, Shopify is valued far below where the largest Canadian companies are today.

The tech sector has been among the hardest hit during the recent selloff. There's no shortage of high-growth tech stocks in both the Canadian and U.S. stock markets trading more than 50% below all-time highs.

But even with a 70% drop, Shopify is still an incredibly strong business. The founder-led management team is as focused as ever on continuing to grow the company's market share, which is why I've already added to my Shopify position several times this year.

If you've had Shopify on your watch list for some time now, this is the time to start a position. It may be a while before we see another buying opportunity like this.

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